

Exhibit F

WSJ Article RE: Telegram

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MARKETS

U.S. Regulators Sue Crypto Startup Telegram Over Initial Coin Offering

SEC alleges company violated U.S. investor-protection laws



The Securities and Exchange Commission has taken several recent enforcement actions on cryptocurrency offerings. PHOTO: JONATHAN ERNST/REUTERS

By *Dave Michaels*

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U.S. regulators sued a company that raised \$1.7 billion through a cryptocurrency offering that became one of the largest such deals ever.

The Securities and Exchange Commission on Friday said it obtained a legal order to halt Telegram Group Inc. from distributing its crypto asset, known as gram. Telegram, founded by two Russian brothers, developed a messaging app that is popular with cryptocurrency traders and developers.

The SEC's order seeks to block the company from distributing as soon as next week in the U.S. an asset that regulators say can't legally be traded in the country.

“Our emergency action today is intended to prevent Telegram from flooding the U.S. markets with digital tokens that we allege were unlawfully sold,” said Stephanie Avakian, co-director of

the SEC's enforcement division.

Representatives for Telegram didn't respond to messages seeking comment.

The SEC has taken several recent enforcement actions on cryptocurrency offerings, confronting some of the most successful issuers.

Earlier this month, an overseas-based startup behind another large coin offering agreed to pay \$24 million to settle the SEC's allegations that its deal violated U.S. law.

The SEC has said many of the fundraising deals violate U.S. securities laws because the startups behind them didn't provide investors with required disclosures that explain the company's finances and business model.

Unlike many sponsors of cryptocurrency sales, also known as initial coin offerings, or ICOs, Telegram raised its money from a small group of private investors. On Friday, the SEC said its investors included rich individuals, venture capitalists and large hedge funds.

In most cases, limiting a fundraising to wealthy people and institutional investors relieves companies from the need to file public disclosures with the SEC.

However, the SEC argued in a legal filing Friday that Telegram's private ICO violated the law because the initial investors will resell them as soon as the coins are delivered. "Their ultimate goal is the wide dispersal of grams into the public markets," SEC attorneys wrote in their filing.

Started by brothers Pavel Durov and Nikolai Durov, Telegram offers users an encrypted platform that is free from government surveillance.

The SEC said in its lawsuit that it intervened on an emergency basis because Telegram's app could be used to mask "who has purchased grams and/or to know who is a current investor in grams." The SEC in its complaint said it wants Telegram to give back any illegal profits and pay a civil monetary penalty. In similar cases alleging cryptocurrencies were illegally sold to U.S. investors, the SEC has demanded that companies rescind the original sale and pay funds back to investors.

—Paul Vigna contributed to this article.

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